

NOVAL

NOVAL INCORPORATED

DIRECTORS MEETING

July 15, 1978

11 a.m. - 2 p.m.

Present:

Gerald Hansen, Director, President
Frank Fogleman, Director
Gene Candelore, Director
Agoston Kiss, Director, Secretary

Also present by invitation:

Lane Hauck, Stockholder

Agoston Kiss presented a new business plan to reorganize NOVAL and expand its markets. Based on this presentation, the directors unanimously decided the following:

1. New NOVAL stock will be issued at \$10.00 per share to:

| | |
|----------------|------------|
| Lane Hauck | 420 Shares |
| Agoston Kiss | 330 Shares |
| Terry Sorenson | 10 Shares |

2. Gerald Hansen resigns as President of NOVAL. Agoston Kiss is named as the new President and chief executive officer of NOVAL Inc.
3. The directors elected Gerald Hansen to be the Chairman of the Board of Directors and requested the Chairman to call regular directors meetings monthly.
4. William Hawkins is to be hired by the President to be General Manager and Director of Marketing of the company.

After joining the company, the directors will appoint Mr. Hawkins Secretary and Treasurer of the company. Mr. Hawkins will be entitled to purchase 50 NOVAL shares at \$10.00 per share one year after his joining the company.

NOVAL

5. The marketing effort will be directed towards OEM markets, the goal being 75% OEM, 25% computers.
6. Concentrated effort will be expanded by all the directors to secure, by the end of July, 1978, \$300,000.00 new investment, as long term loan. To attract investors, up to 850 new NOVAL shares can be issued or optioned to an investor with \$300,000.00 or proportional part of it for lesser amount.
7. The decisions listed above will not become effective until final approval is given by the directors in a new meeting scheduled for July 18, 1978.

A Z Kiss
Agoston Z. Kiss
Secretary